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10 DOWNING STREET LONDON SWIA 2AA

THE PRIME MINISTER

you letter re Apoliths

I was most grateful to receive your kind letter of 19 March.

I have indeed maintained a close personal interest in developments at Aycliffe and have been enormously encouraged by your company's unreserved and wholehearted commitment to the work of the Response Group. I share your views on the excellence of Kingsley Smith's leadership and I am most grateful that he has been able to rely upon the fullest possible co-operation from Fujitsu in every respect.

The fate of your former employees was of particular concern to me. I very much appreciated the speed and effectiveness with which they have been resettled. I am pleased that Government and regional agencies were able to play their part, and my congratulations go to you and your colleagues involved in this excellent achievement.

Meanwhile, however, it was also important that every possible opportunity should be explored in order to find a buyer for the plant who could make use of the existing skills base. I am extremely appreciative of your company's wideranging endeavour to find such a purchaser and willingness to go to great lengths

HM Treasury

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to conclude a deal. We share your regret that difficult market conditions did not permit a successful outcome.

You will continue to have our support for Response Group and marketing activities and I will continue to follow progress.

The Aycliffe closure was a major setback for all concerned, but I assure you that my colleagues and I place great value on Fujitsu's deep and long-standing commitment to the United Kingdom. Your contribution to the competitiveness of our telecommunications and IT industries has been outstanding, and I wish you every success for the future.